

**U.S. House and Senate Notification**  
**Wednesday, November 4, 2009**

**To: Congressional Health Staff**

**From: Amy Hall, Director, Office of Legislation**  
**Centers for Medicare & Medicaid Services**

**Subject: CMS Releases State Health Official Letter Regarding Mental Health and Substance Use Disorder Parity in CHIP and Medicaid**

Today, the Centers for Medicare & Medicaid Services (CMS) released a State Health Official (SHO) letter to provide general guidance to States on the implementation of mental health and substance use disorder parity requirements for Children's Health Insurance Program (CHIP) State plans, as required by section 502 of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), Public Law 111-3. This letter also provides preliminary guidance to the extent that mental health and substance use disorder parity requirements apply to State Medicaid programs.

Effective April 1, 2009, a CHIP State plan must comply with the requirements of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), Public Law 110-343, which extended mental health parity requirements to substance use disorder benefits, and required parity with regard to financial requirements (e.g., co-payments) and treatment limitations. A CHIP State plan is deemed to satisfy the mental health and substance use disorder parity requirements if it provides coverage of Early and Periodic, Screening, Diagnostic and Treatment (EPSDT) benefits. In addition, a State that contracts with one or more managed care organizations (MCOs) or Prepaid Inpatient Health Plans (PIHPs) to provide Medicaid medical/surgical benefits as well as mental health or substance use disorder benefits must meet the parity requirements of MHPAEA for contract years beginning after October 3, 2009.

Until the MHPAEA regulations are issued or other guidance is provided, States will not have detailed information regarding how specific provisions in MHPAEA will be interpreted. However, CHIPRA provides that Federal financial participation in both CHIP and Medicaid shall not be denied if States make a good faith effort to comply with the requirements prior to the issuance of any regulations or guidance implementing the provisions in question.

If you have any questions about the letter, please contact the CMS Office of Legislation.

Thank you.